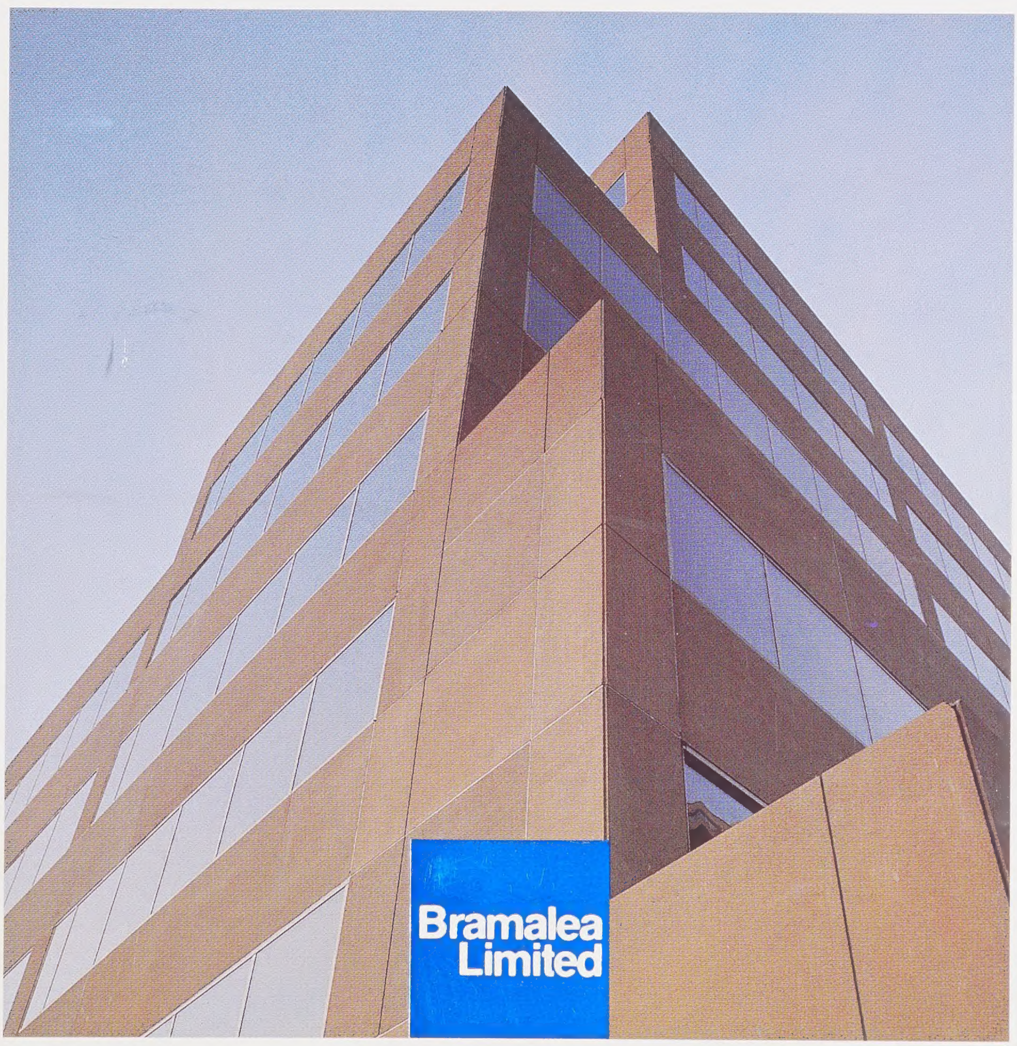
BRAMALEA LIMITED 1980 ANNUAL REPORT



Bramalea Limited was founded in December, 1957, by a group of English investors to develop the new community of Bramalea in what is now the City of Brampton at the western edge of Metropolitan Toronto. The Company was "patriated" by the present Canadian management in 1975.

During the past five years, Bramalea Limited has become a leading North American real estate development company involved in all aspects of property development, investment and management. Assets have more than quadrupled to approximately $750 million by April, 1981.

A substantial portion of revenues is derived from a rental-income portfolio of office buildings, shopping centres, industrial facilities, hotels and residential properties.

The Company has extensive land holdings, principally in Ontario but increasingly in other North American markets. It continues to develop integrated residential communities, including the successful Bramalea community in Ontario.

Highlights

	1981	1980
Total Revenue	$ 169,992,000	146,378,000
Earnings for the year	$ 9,173,000	6,950,000
per share	$ 1.06	.79
Cash Flow for the year	$ 22,648,000	17,508,000
per share	$ 2.63	1.98
Total Assets	$ 679,508,000	508,472,000
Shareholders' Equity	$ 44,136,000	36,308,000
Number of shares issued	8,646,740	8,856,394
Number of shareholders	2,019	2,081

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Report to Shareholders

Our Company has entered a phase of growth that far exceeds any previous period in our history. Since the beginning of 1980, we have added more than $250 million worth of new assets, representing almost a 50 percent expansion in our revenue-producing base.

Significantly, many current projects are of such a quality and scale that their development can only be assured by a large company with strong investment and managerial resources. Five years ago, our Company was only able to undertake medium-sized projects. We have since strengthened our managerial expertise and financial resources to the extent that we can now initiate and complete major projects in prime North American locations where the competition is intense, the standards of performance are demanding, and the development period is often lengthy.

Current expansions reach into every aspect of our business — shopping centres, office buildings, hotels, industrial development and residential projects. We have also sustained a leading presence in the housing market by offering innovative designs to clearly defined buyer groups.

Financial Results

During 1980 (the fiscal year actually ended January 31, 1981) revenues totalled $169,992,000, compared with the previous year of $146,378,000. Rental income properties contributed more than 40 percent of 1980 revenues.

Revenues increased substantially in the fourth quarter with the successful completion and closing of record housing sales and continuing improvements in returns from our income-producing properties. In addition, a selective number of profitable residential and industrial sales were concluded.

After-tax earnings were $9,173,000, or $1.06 per share. This was a marked improvement over 1979 earnings of $6,950,000 or $0.79 per share. Cash provided from operations totalled $22,648,000, or $2.63 per share, compared with $17,508,000, or $1.98 per share, in the previous fiscal year.

As previously noted, our underlying strength is reflected in rapid asset growth. Six years ago, book value assets were approximately $164 million. By the end of fiscal 1980, they totalled $680 million. Acquisitions and developments since year-end have further enlarged our assets to total $750 million by April, 1981.

Highlights

The Operations Review in this Annual Report details many of our 1980 accomplishments and expectations, defining the mainstream of our growth plan for the next few years.

Our Office Buildings Division is experiencing rapid expansion. In Dallas, Texas, we are planning the development of four city blocks that will provide some three million square feet of office space and a new luxury hotel. In Denver, Colorado, we are involved in two projects that will create another two million square feet of rentable area. In Toronto, we have under construction three projects in prime locations which will provide more than 800,000 square feet to meet that city's office space needs. In Edmonton, we have fully leased our second office building.

Our Shopping Centre Division remains the Company's single largest source of rental income and earnings. Last year, we continued to upgrade and enlarge several existing Canadian facilities and launched a renewed development and acquisition program. Two shopping facilities were completed in Ontario; an enclosed mall was purchased in Pennsylvania; four middle-market shopping centres were under construction in the United States; and, after year-end, negotiations were concluded to add 11 more American centres to our portfolio.

Our Industrial Development Division once again had a most satisfactory year, adding a total of 800,000 square feet of leasable space in the Bramalea and Amberlea industrial parks, which are the premium locations on either side of Metro Toronto. In California, we completed and leased two buildings, sold another for closing in 1981, and had a fourth building under construction in our Carson Industrial Park in the Los Angeles area. We also acquired additional lands in Rancho Bernardo, between Los Angeles and San Diego, for the development of sites for high technology industries.

Our two operating hotels in Toronto and Vancouver have substantially improved their business with record occupancy rates. We are completing a multi-million dollar renovation at the Four Seasons, Toronto and have initiated a refurbishing program at the Hyatt Regency in Vancouver. The new Holidome in Brampton to be operated by Commonwealth Holiday Inns of Canada Limited is an exciting and innovative hotel concept and will be a further revenue source for our hotel portfolio in 1981.

Finally, our Marketing Division closed the sale of more than 700 housing units during the year. We completed the marketing of our first luxury condominium building in North York well ahead of occupancy, completely sold out our latest MURB apartment building in Ottawa, and enjoyed satisfactory sales from other residential projects. We have several residential projects underway in various communities, including the development of fashionable condominium residences in the Renaissance project in downtown Toronto.

Our Management Philosophy

We wish to reaffirm that Bramalea Limited will remain a principal developer and builder of housing for all income levels. While approximately 70 percent of our residential lands in the Bramalea community have been developed, providing housing for more than 70,000 Canadians, we retain sufficient acreage in that community to meet requirements for several years.

We have acquired — and will continue to acquire — selected residential lands in other communities throughout North America. Current and planned housing projects are centred in Ontario, California and Florida. Our housing activities will be directed specifically at those segments of the consumer market that demonstrate viable demand.

We have successfully balanced the cyclical nature of the housing market with an expanded emphasis on rental-income properties. Increasingly, we will make major commercial and industrial investments in primary North American cities to develop, acquire and manage both single-property and integrated multi-use projects. This development philosophy, and quality review of properties in our existing rental-income portfolio, affects shopping centres, office buildings, industrial facilities and hotels.

The decision last year to establish a semi-annual dividend and to split the stock on a two-for-one basis underscores the importance we attach to encouraging individual Canadians as equity participants in our Company's growth.

The dividend policy is reviewed regularly by the Directors in relation to our earnings and financial position. We are committed to continuing and, if warranted, increasing dividends to our shareholders.

The Outlook

The excellent 1980 financial results and extensive projects in progress this year are a solid basis for anticipating optimistic returns in the future. This optimism is in sharp contrast to the expected performance of North American economies, which are likely to record little, or only moderate, real growth during the current year.

Federal monetary policies that sustain extremely high interest rates are, however, a cause of major concern to us. Many low and middle income families have been ''squeezed out'' of the housing market at a time when affordable housing is in limited supply, because of high prices. There is an urgent social need for federal and provincial government programs to assist the first-time homebuyer as well as apartment renters.

Staff

During the past year, we enriched our management capabilities by attracting a number of new key executives and by promoting deserving middle managers to senior positions. This is in keeping with our ongoing philosophy of encouraging young dynamic executives.

Our continental perspective, the establishment of regional offices, and the creation of special teams to handle particular projects have all led to greater mobility and opportunity for the growing workforce of men and women who have chosen to join Bramalea.

We are a leader in the North American real estate industry thanks principally to the enthusiasm and inventiveness of our staff, who continuously identify and recommend new services and investment prospects.
Our Company's remarkable growth is a direct reflection of their dedication and commitment. Consequently, we express a special appreciation to them and to our Board of Directors for preserving and advancing the reputation of Bramalea Limited.

Sincerely

J. Richard Shiff

J. Richard Shiff, Q.C.
Chairman and Chief Executive Officer

Kenneth E. Field

Kenneth E. Field
President

April 2, 1981

Opposite Page
J. Richard Shiff, Q.C. (left)
Kenneth E. Field (right)

Bramalea Limited owns and manages office buildings with approximately three million square feet of rentable area in Alberta, California, Ontario and Texas. Current projects under construction or planned in California, Colorado, Ontario and Texas will add a further five million square feet of leasable space during the next few years.

Office Buildings

Our Office Buildings Division increased its revenues in 1980 and began several projects that are planned for completion in the next few years.

One of our most exciting new ventures, announced early in 1981, is in Dallas, Texas, where we are planning a half-billion dollar development on four city blocks of prime commercial land in the downtown core. Within four years, we anticipate occupancy of at least one office tower, exceeding 70 storeys, to provide approximately 1.5 million square feet of rentable area. This will be the tallest building in Dallas. In addition, a 600-room luxury hotel will be constructed on one city block to connect with the office towers.

In Denver, Colorado, we are involved in two joint-venture projects with other Canadian developers. One is a proposed two million square-foot commercial development in downtown Denver on lands occupied by and adjacent to the Plaza Cosmopolitan Hotel, in which we have a one-half interest. Construction is expected to begin within the next year. The other project entails a $45 million office/retail complex in the Cherry Creek area, a few minutes from the Denver city core. Construction has commenced on this project, which involves two nine-storey octagonal towers, containing more than 404,000 square feet of office space. Occupancies will commence during the summer of 1982.

In Toronto, Ontario, we have two projects underway on the key Bloor/Yonge Street axis where there is a strong demand for office space. Just east of Yonge Street on Bloor Street, we have started a $27 million office building. This 17-storey structure, with 256,000 square feet of leasable space, is scheduled for completion by 1983. At Bloor Street West and Avenue Road we are joint partners in an integrated two building project next to our Four Seasons Hotel. The first building, called Renaissance Court, should be ready for occupancy late this year. It will offer 36,000 square feet of office space, 13,000 square feet of ground-floor retailing, and four floors of custom-designed ultra-luxurious condominium residences. The larger building will be known as Renaissance Plaza. Its impressive design will make it the dominant attraction in this fashionable commercial area. This 25-storey building, which is scheduled for completion by the end of 1982, will provide 230,000 square feet of office area, 20,000 square feet of shopping and 13 floors containing 142 exclusive condominium residences. The style and scale of the Renaissance buildings will make them the most sought-after addresses for office tenants, retailers and urban residents.

Also in Toronto, we have successfully leased prior to completion the property at 55 St. Clair West. This 250,000 square foot building has a memorable design and contains the most advanced technology and energy-saving features available. It is scheduled for occupancy by Imperial Oil, the major tenant, in the spring of 1981.

In Oakland, California, we are proceeding with the joint development of the Oakland City Centre. We plan to begin construction this year of a 12-storey office tower adjacent to the Clorox Building, in which we acquired an 80 percent interest last year. The new building will be an integral part of that city's proposed $225 million downtown redevelopment. While Bramalea Limited will be a primary participant in the redevelopment program, other groups are providing components, including a 500-room luxury Hyatt Regency hotel, which will be under construction this year, and a convention centre.

In Edmonton, Alberta, we have fully leased our second office building though occupancy is not scheduled until this spring. This 10-storey tower has been linked by an enclosed skywalk with a building we already own and manage.

Our other office projects all made satisfactory progress during the past year in keeping with local market conditions. The Toronto Star Building at One Yonge Street, where we completed a significant energy savings program, continues to maintain a high occupancy rate and to attract new tenants. Our office buildings in the Bramalea City Centre core of Brampton, Ontario, are leasing well. Our first Rancho Bernardo building in the San Diego area of California was completed before year-end and is being leased.

Bramalea Limited is one of North America's largest and most experienced managers of shopping centres. Its portfolio includes regional, local and neighborhood retailing facilities that are tailored to specific consumer market needs in Ontario, Western Canada and selected U.S. trading areas. Currently, we manage in excess of eight million square feet of leasable area.

Shopping Centres

Our Shopping Centres Division had another record year in revenues, despite a general decline in consumer spending and moderating retail sales. Much of our success in capturing a larger share of consumer disposable income was due to the Division's efforts in providing tenants with special merchandising services and promotional sales campaigns as well as enrichment of tenant mix at our principal centres

During 1980, we began an extensive expansionary thrust that involved the construction of new retailing facilities, the acquisition of properties, and the enlargement of three centres.

An important part of our new growth is occurring in the United States, where we are involved with a joint-venture partner located in Houston, Texas Four "middle market" shopping centres are under construction two in each of Colorado and Texas. We anticipate the potential development of 16 similar centres in the southwestern United States during the next few years for inclusion in our portfolio.

In Canada, we completed construction of a neighborhood shopping facility in the Bramalea community of Brampton and will open our first Northern Ontario shopping centre in Sudbury this spring

Our Company has developed a new concept which involves the remodelling of older shopping centres in established trading areas. Two properties have been acquired under this program — last year, the Colonial Park Plaza in Harrisburg, Pennsylvania, and in April, 1981, a 500,000 square-foot shopping centre in Baltimore, Maryland — with the objective of restoring their market appeal through design renovations, adjustments in the tenant mix and aggressive sales promotion

In early 1981, we completed the purchase of an interest in a further 10 shopping centres, containing approximately 2,000,000 square feet of retail space. These centres are located in New Mexico, North Dakota, Oklahoma, South Dakota and Texas

In Canada, we were successful in our offer to purchase 100 percent of the shares of Five Oaks Holdings Limited, a public company owned principally by residents of Germany. This acquisition gives ownership of the Niagara Pen Centre in St. Catharines, Ontario, an 880,000 square-foot regional shopping centre which Bramalea has managed since 1968. (Five Oaks also owns 13 industrial, office and residential buildings throughout Canada. Certain of these properties will be retained for our own portfolio and others will be sold.)

Among existing shopping centres, expansions were completed last year in Moose Jaw, Saskatchewan, Brampton, Ontario, and Midland, Ontario Expansions are underway or planned in Brandon, Manitoba, Brampton, Ontario, Saskatoon, Saskatchewan, and Calgary, Alberta

Among proposed developments is a one million square-foot regional shopping centre in the Los Angeles area of California. This project will be a joint venture with an American department store chain on an 89-acre site in our Rolling Ridges residential community

Bramalea Limited owns 75 percent of two luxury hotels — the Hyatt Regency, Vancouver, and the Four Seasons, Toronto; fully-owns the Holiday Inn, Brampton; and jointly owns the Plaza Cosmopolitan, Denver. These properties are managed by hotel companies which offer specialized services appropriate to each hotel's segment of the travel market.

Hotels

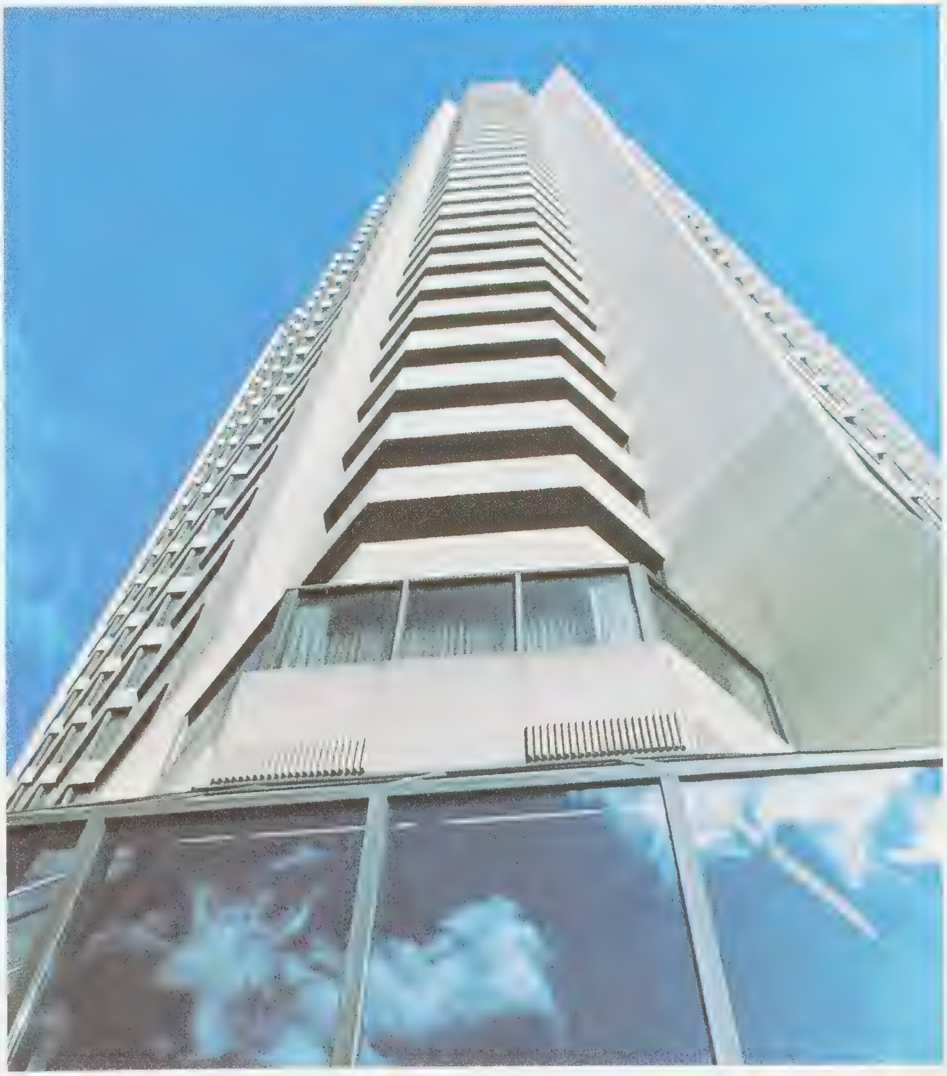
Our two Canadian hotels have become substantial sources of revenue with high occupancy rates during 1980. Both properties further consolidated their leadership in their respective markets by attracting a growing share of the local dining and entertainment trade.

We are completing a $6 million remodelling of the Four Seasons, Toronto, which will enhance this hotel's premier status as the city's finest hospitality choice. A multi-million-dollar renovation of the Hyatt Regency, Vancouver, is being implemented.

In Brampton, we are planning to open the Holiday Inn Holidome. This year's Annual Meeting of Shareholders will be held in this innovative and impressive facility. The hotel is an important component of our Bramalea City Centre development plan. It will be the major choice for conventions and meetings by government and commercial tenants located in the Bramalea core as well as for corporate members of our nearby Bramalea Industrial Park. In addition, the hotel has been designed specifically as a social and resort attraction for local residents and their guests.

Our acquisition of commercial land in downtown Denver includes joint ownership with another Canadian development company of the Plaza Cosmopolitan Hotel.

We are negotiating the construction of a new 600-room prestige hotel on one of the four strategically located downtown city blocks we purchased recently in Dallas, Texas.



Bramalea Limited manages two landscaped industrial parks in the Metropolitan Toronto region and owns industrial acreage in the Los Angeles and San Diego areas of California. The Company's industrial management portfolio contains approximately 3,000,000 square feet of leasable space.

Industrial Development

Our Industrial Development Division once again registered solid revenue growth despite a lack-lustre economy

The general shortage of available industrial space in the Metropolitan Toronto market, coupled with the high cost of limited long-term financing, has encouraged more companies to consider leasing arrangements.

Our Company is ideally situated to optimize the backlog of demand for new facilities that is building up in anticipation of economic recovery by the mid-1980s The 2,000-acre Bramalea Industrial Park, where more than 200 companies are already located, and the expanding Amberlea Industrial Park, in Pickering are among the few fully-serviced lands in the Toronto region with readily-accessible transportation links and a wide choice of individual sites.

During the year, we leased 800,000 square feet of space in our Bramalea and Amberlea parks. As well, 41 acres in Bramalea were sold to 13 companies for their own use.

Construction has begun for two new ''spec'' buildings one in each of Bramalea and Pickering to meet imminent industry needs. We are also proceeding with a major expansion for an existing tenant in Bramalea.

The Bramalea Industrial Park contains approximately 400 acres of fully-serviced land in a construction ready-state. It is an outstanding choice for industries seeking a location within the Toronto marketing area, due to its convenient access from major highways, proximity to the Toronto International Airport and adjacency to a large CNR ''piggyback'' terminal.

In Pickering, where 50 acres of industrial land were available for development last year, we have acquired a further 18 acres in the township under a joint-venture agreement. We plan to commence construction of our first building on this additional land in the spring of 1981 with the total site, which fronts onto both Highways 401 and 2, scheduled for development during the next three years

The attractiveness of our Pickering holdings as a prime industrial location will be enhanced later this year when direct access from Highway 401 is made possible by completion of the cloverleaf at Whites Road.

In the Los Angeles area, our fourth building, with 87,000 square feet of rentable area, is under construction in the Carson Industrial Park, where we own 26 acres of available land. During 1980, we successfully leased the 184,000 combined square footage in our two previous buildings, which were completed in 1979. In addition, a further building was sold for delivery in 1981

Our California land holdings were increased during 1980 with the acquisition of a 60-acre tract to be called the Rancho Bernardo Technology Park, in the southwest San Diego area. Rancho Bernardo is a popular location for major research and development companies

Bramalea Limited is a diversified supplier of single and semi-detached homes, townhouses, high-rise condominiums and rental-income apartment buildings. Housing units range from the affordable to the most luxurious. While the Company's housing activities are centred in Ontario, sizeable residential projects are planned in California and Florida.

The Company's residential rental-income portfolio contains more than 2,000 units.

Housing

Selective marketing strategies enabled our Company to close the sale of more than 700 housing units during 1980. Virtually all houses under construction at year-end had been pre-sold

It should be noted that Bramalea Limited is one of the single largest homebuilders in the Metro Toronto market area.

Our Company is now a major residential developer in Metro Toronto's City of North York. By last fall, we had virtually sold all units in the 223-suite Atrium, our first high-rise luxury condominium in that city. As the units will not be available for occupancy until this spring, these sales will be included in our 1981 results. Our stately homes in North York's Ridgegate community continued to attract high-income buyers. And by year-end, we had acquired further substantial lands in the Yonge-Finch area of North York as well as in the vicinity of our successful Atrium condominium building in the Yonge-Sheppard area.

In the Bramalea community of Brampton, we have several subdivisions under development. Many projects were completely sold out ahead of our expectations. Further lands are being registered and serviced for future construction of single and semi-detached homes in step with market conditions.

We are also planning several rental apartment buildings in Bramalea under a recently announced Ontario government program designed to stimulate private rental accommodation in areas of low vacancy.

In the City of Toronto, we are a joint partner with another developer in a commercial/retail project that includes a significant housing presence. This project, located in the fashionable Yorkville area, consists of two buildings. The first, scheduled for completion in 1981, contains four floors of 32 elegant condominium suites. The second, scheduled for completion in 1982, has 13 residential floors with 142 custom-designed private residences.

In Markham, on the northeastern edge of Metro Toronto, we are planning to build a further 150 spacious homes in our Unionville Estates community. During the next year, we hope to register additional lots to meet the strong demand for new homes in this community.

In Pickering, on the eastern edge of Metro Toronto, we continue to register and service residential lands in our Amberlea community for use in our housing program.

In Ottawa, we completed another high-rise apartment project in the Nation's capital. This 15-storey 258-suite apartment building qualified as a MURB (Multiple Unit Residential Building) and was completely sold out to individual investors. We are planning to construct a further building in Ottawa on Riverside Drive, which is a favoured residential street only a few minutes from the Parliament Buildings.

The provision of housing for all income groups for ownership or rental remains a priority with Bramalea Limited, particularly in the Ontario market. We anticipate commencing construction of more than 1,200 rental apartment units this year.

Increasingly, we are pursuing residential opportunities in the United States. We have received preliminary approval for development of our Rolling Ridges community in the Chino Hills area of Los Angeles. Lots should become available this year to initiate the first phase of our goal to create 3,500 housing units on this 1,500-acre site Later this year, we hope to begin construction of executive homes on an adjacent fully-developed 800-acre site, called Diamond Bar. Eventually, this joint development will provide 1,000 homes.

Our Company also continues to hold joint ownership of 274 acres for residential development and construction in the Boca Raton area of Florida. We plan to begin construction of our first homes on this property later this year

Bramalea Limited owns in excess of 6,000 acres of land, the planning and development of which are the responsibility of the Land Division.

The Construction Division is responsible for the design and building of homes, apartment buildings, office buildings, shopping centres, hotels and industrial facilities.

Land and Construction

In 1980 our Land and Construction Divisions were strengthened significantly in order to enlarge their capabilities to initiate and complete projects for other Divisions. Several senior people with particular knowledge and skills in specialized aspects of the development process were appointed.

The Land Division is responsible for planning and managing the use of our land holdings. The Company's existing landbank forms a solid base for creating balanced communities containing a diversity of housing, convenient shopping facilities, parks, playgrounds and other social amenities, as well as office buildings and industrial plants to provide local employment opportunities.

Currently, the Division is involved in the continued development of three communities surrounding Metropolitan Toronto — to the west, Bramalea in the City of Brampton; to the north, Unionville Estates in the Town of Markham; and, to the east, Amberlea in the Township of Pickering.

A more recent new development in the Chino Hills area of Los Angeles is the expansive Rolling Ridges project and its neighbouring Diamond Bar residential community. In addition, acreage has been assembled for future residential developments in Boca Raton, Florida, in Metro Toronto's City of North York, and in several other locations.

In co-operation with the Construction Division, the Land Division staff oversees the installation of basic services such as roads, sewers and water mains.

Bramalea Limited is one of Canada's most diversified builders, with the capability to handle a variety of projects ranging from single-family homes to large scale downtown redevelopment.

The Construction Division operates in three areas — low-rise, high-rise, and commercial construction.

Two current commercial projects in Toronto are the multi-purpose development at Avenue Road and Bloor Street West (large rendering on this page), which is being constructed on a joint-venture basis, and an office tower on Bloor Street East (rendering next page), for which Bramalea is acting as its own general contractor.

The Construction Division is responsible for costing, scheduling and ensuring the completion of all Bramalea buildings. Last year, the Division handled $120 million worth of construction, creating several thousand jobs.

Corporate Directory

Directors

‡ Ross T. Clarkson, Q.C.
Montreal, Canada
Partner — Courtois, Clarkson Parsons & Tétrault

Harold A. Ellis, Jr
Oakland, California
President — Grubb and Ellis Company

* Kenneth E. Field, B.A., LL.B.
Toronto, Canada
President

*‡ David L. Goldberg
Toronto, Canada
President — A.R. Clarke & Co. Ltd.

‡ Enid G. Hildebrand, M.A., LL.B.
Toronto, Canada
Partner — Gold Hildebrand

‡ John O. Hinds
Toronto, Canada
President — Noranda Exploration Company Limited

* J. Richard Shiff, Q.C.
Toronto, Canada
Chairman and Chief Executive Officer

* Morey I. Speigel, P. Eng.
Toronto, Canada
Chairman — Acme Building and Construction Limited

Benjamin Swirsky, LL.B., F.C.A
Toronto, Canada
Executive Vice-President

* John H. Taylor, B.Eng. (Civil)
Toronto, Canada
Chairman — North American Life Assurance Company

* Member of the Executive Committee
‡ Member of the Audit Committee

Corporate Officers

J. Richard Shiff, Q.C.
Chairman and Chief Executive Officer

Kenneth E. Field, B.A., LL.B.
President

John H. Taylor, B.Eng. (Civil)
Chairman of the Executive Committee

Benjamin Swirsky, LL.B., F.C.A.
Executive Vice-President

Stewart D. Davidson, C.A.
Vice-President, Finance and Chief Financial Officer

Peter A. Goring, C.A.
Vice-President and Treasurer

Peter F. Bennett, LL.B.
Corporate Counsel and Secretary

Operating Officers

Bruce D. Pattison
Senior Vice-President
Shopping Centre Division

William A. Bodrug, M.B.A
Vice-President Office Buildings Division

Myron L. Boltman
Vice-President Industrial Division

Gordon L. Deson, P. Eng
Group Vice-President Construction Division

David E. Horne, M. Arch.
Vice-President Project Planning

Gordon R. Lavis
Vice-President Construction

Douglas E. MacKinnon
Vice-President Commercial Developments

Cyrus Motahedin
Vice-President Marketing Division

David Ptak, P. Eng.
Vice-President Construction

Edward S. Tyityan, P. Eng.
Vice-President Commercial Construction

Bramalea California Inc.

Peter B. Perrin
Executive Vice-President

Janay E. Kruger
Vice-President

Philip M. Vaught
Vice-President Construction

Corporate Offices

Bramalea Limited
1867 Yonge Street
Toronto, Canada, M4S 1Y5
(416) 487-3861

Bramalea Inc.
Ainbinder Bramalea Shopping Centres
5850 San Felipe
Suite 500
Houston, Texas 77057
(713) 978-7800

Bramalea California Inc.
1151 Dove Street
Suite 115
Newport Beach, California 92660
(714) 955-1683

Trustee for Debentures

Canada Permanent Trust Company
Toronto, Canada

Registrar & Transfer Agent for Stock

Canada Permanent Trust Company
Toronto, Canada

Stock Exchange Listing

The Toronto Stock Exchange
Toronto, Canada

Auditors

Peat, Marwick, Mitchell & Co
Toronto, Canada

Land Acreage — held for and under development

	Inventory at January 31, 1980 Total	Purchased	Usage*	Inventory at January 31, 1981 Total	Bramalea's Interest
Alberta					
Calgary	32	—	19	13	6
Edmonton	85	—	—	85	85
California					
Rancho Bernardo	—	60	—	60	30
Los Angeles	1,520	—	—	1,520	912
Florida					
Boca Raton	274	—	—	274	149
Georgia					
Atlanta	26	—	—	26	26
Ontario					
Ancaster	46	—	—	46	46
Bramalea	2,718	—	399	2,319	2,319
Guelph	235	—	21	214	196
North York	44	—	38	6	6
Orangeville	200	—	—	200	100
Ottawa	272	—	9	263	136
Pickering	840	35	92	783	783
Unionville	534	10	22	522	522
Other areas	44	10	27	27	27
	6,870	115	627	6,358	5,343

*Usage includes sales, transfers to other asset accounts and dedications to civic authorities

Housing

	Inventory of Units at January 31, 1980 (note 1)	Construction starts	Units sold and closed	Inventory of Units at January 31, 1981 (note 1)	Accepted offers on hand at January 31, 1981 to close during 1981/82
Bramalea					
Singles	124	278	341	61	41
Semis	9	—	9	—	—
Townhouses	2	—	2	—	—
Highrise	90	—	90	—	—
North York					
Singles	53	62	76	39	39
Semis	7	27	20	14	10
Townhouses	15	29	13	31	21
Highrise	—	223	—	223	216
Pickering					
Singles	16	96	93	19	16
Semis	—	37	5	32	32
Unionville					
Singles	53	31	77	7	6
	369	783	726	426	381

Notes:
1. Including model show homes
2. All projects are located in Ontario

Residential Rental Properties

	Number of Units
Highrise Apartments	
Buchanan Tower	
5 Kings Cross Road, Bramalea	212
Cameron Tower	
3 Knightsbridge Road, Bramalea	308
MacKenzie Tower	
10 Kensington Road, Bramalea	148
Munro Tower	
11 Knightsbridge Road, Bramalea	178
Williamsquare Apartments	
15 Eastbourne Drive, Bramalea	170
37 Eastbourne Drive, Bramalea	170
9 Lisa Street, Bramalea	185
10 Lisa Street, Bramalea (note 1)	199
11 Lisa Street, Bramalea	185
Townhouses	
Balmoral Drive, Bramalea	101
Folkstone Terrace	
790 Clark Blvd., Bramalea	183
York Square North	
Gosford Blvd., Downsview	91
	2,130

Notes:
1. Under development
2. All properties are situated in Ontario

Office Buildings

	Rentable Area In Square Feet
Alberta	
9920-108th Street, Edmonton (note 1)	129,300
10808-99th Avenue, Edmonton	89,100
Marlborough Professional Building, Calgary	50,000
California	
The Clorox Building, Oakland (note 2)	488,600
1450 Broadway, Oakland (note 2)	49,400
Rancho Bernardo, San Diego - Phase I (notes 1 & 3)	48,000
Colorado	
Ptarmigan Place, Denver (notes 1 & 3)	404,700
Ontario	
The Toronto Star Building, Toronto	767,700
Avenue Road & Bloor Street, Toronto (notes 1 & 3)	300,000
121 Bloor Street East, Toronto (note 1)	256,000
55 St. Clair West, Toronto (notes 1 & 3)	245,500
1867 Yonge Street, Toronto	103,200
44 Peel Centre Drive, Bramalea	55,400
40 Peel Centre Drive, Bramalea	17,800
Texas	
The Texas Building, Dallas (note 4)	120,000
	3,124,700

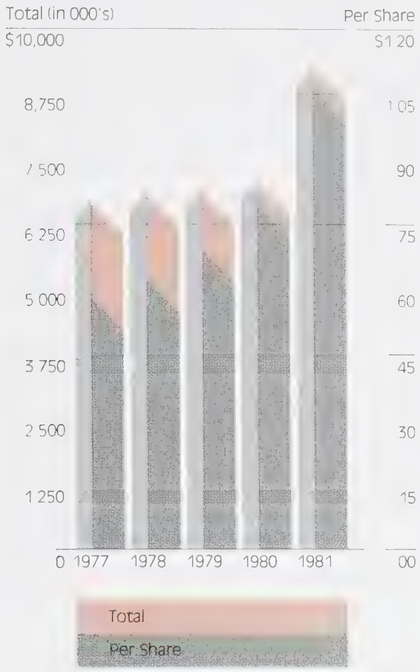
Notes:
1. Under construction.
2. Bramalea owns 80%
3. Bramalea owns 50%.
4. Purchased April, 1981

Hotels

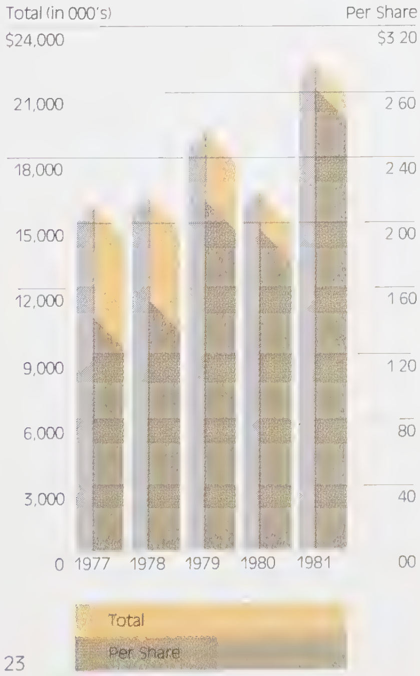
	Number of Rooms
British Columbia	
Hyatt Regency, Vancouver (note 1)	656
Colorado	
Plaza Cosmopolitan, Denver (note 2)	400
Ontario	
Four Seasons, Toronto (note 1)	483
Holiday Inn, Brampton, (note 3)	150
	1,689

Notes:
1. Bramalea owns 75%
2. Bramalea owns 50%
3. Under construction

Earnings for the Year



Cash Provided from Operations

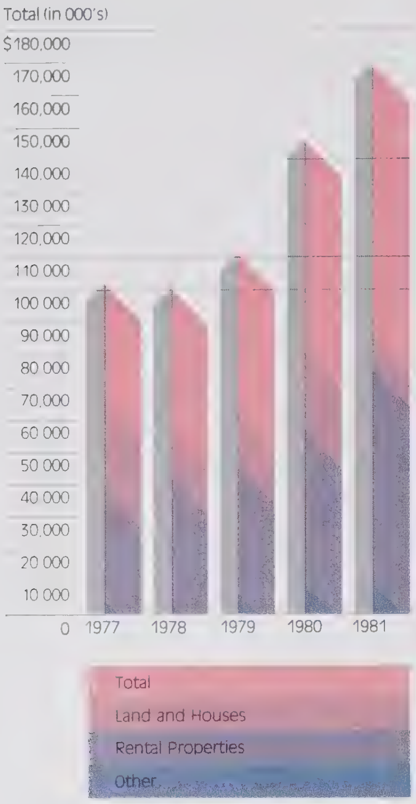


Industrial Buildings

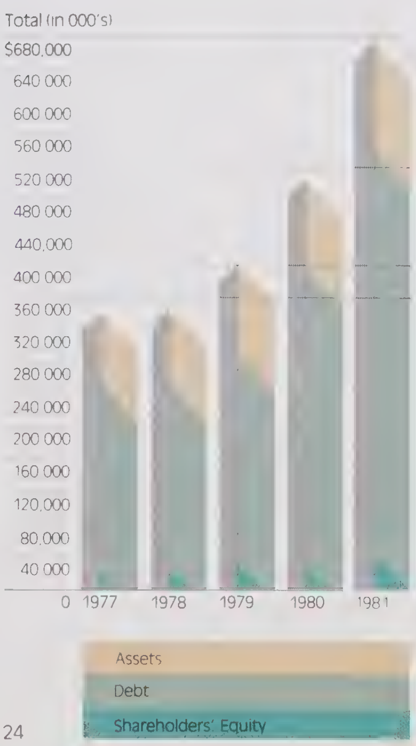
	Rentable Area in square feet
California	
17120 Kingsview Road, Carson (note 3)	82,900
910 Sandhill Road, Carson (notes 1 & 3)	86,900
966 Sandhill Road, Carson (note 3)	101,000
Ontario	
Aircraft Appliances & Equipment Limited	114,100
Airport Chevrolet Oldsmobile Inc.	25,000
Armor Business Park (notes 1, 2 & 3)	86,600
Boots Drug Stores (Canada) Ltd. — 8550 Airport Road	263,850
Boots Drug Stores (Canada) Ltd. — 1310 Steeles Avenue	68,000
Brock Containers Limited	126,000
830 Brock Road (notes 1 & 2)	95,000
Burlington Carpet Mills (Canada) Ltd.	125,000
Canadian Gypsum Company Limited/Wessan Plumbing & Mfg Limited	90,700
Canterbury Foods Limited	18,900
Champion Road Machinery Sales Ltd.	36,000
1000 Clark Boulevard (note 1)	155,000
Clorox Company of Canada Ltd./Manutec Steel Industries Limited	69,000
Comshare Limited	12,100
Crowle Fittings Ltd.	25,800
Dodge Canada/A.P. Parts/Hunter Drums	103,000
Dominion Cellulose Limited	194,600
Ducon-Mikropul/Transport International Pool Ltd.	18,500
IBM Canada Ltd. (note 2)	94,600
IBM Canada Ltd./Web Offset Publications Limited (note 2)	158,300
International Paints (Canada) Limited	97,300
Jaguar, Rover, Triumph Canada Inc.	38,000
Lawry's Foods of Canada Limited	25,500
Mack Canada Inc./Bamberger Polymers Canada Inc.	103,200
North American Wallpapers Limited	124,500
P.H.A. Industries Limited/Wm. E. Coutts Co. Ltd. (note 2)	148,000
Plastmo Ltd.	31,200
Reed Paper Limited	132,100
J. D. Smith & Sons Limited	96,200
Source Data Control Ltd.	111,100
2150 Steeles Avenue	97,700
Stubbs & Massue Lithographers Ltd.	87,200
Volvo Canada Limited	15,200
Western Controls Incorporated	25,800
	3,283,850

Notes:
1. Under construction
2. Located in Pickering; all other Ontario properties are located in Bramalea
3. Bramalea owns 50%.

Revenues by Source



Assets, Debt and Shareholders' Equity



Shopping Centres

	Number of Stores and Tenants	Rentable Area in Square Feet
Alberta		
MacLeod Trail Mall, Calgary	40	232,300
Marlborough Town Square, Calgary	104	550,000
Trans Canada Mall, Calgary	30	165,600
British Columbia		
Brentwood Mall, Burnaby (note 1)	82	436,300
Lougheed Mall, Burnaby (note 1)	94	491,900
Colorado		
Durango Mall, Durango (notes 1 & 2)	40	77,400
Glenwood Springs Mall, Glenwood Springs (notes 1 & 2)	41	78,400
Manitoba		
Brandon Shoppers Mall, Brandon	32	268,600
Brandon Annex, Brandon	8	21,900
Ontario		
Bramalea City Centre, Bramalea	170	910,000
Bramalea Convenience Centre, Bramalea	6	22,400
Harwood Place, Ajax (note 3)	39	207,100
Huronia Mall, Midland	19	74,600
McKay Plaza, Bramalea	10	50,000
Niagara Pen Centre, St. Catharines	112	874,300
Northgate Shopping Centre, Bramalea	8	16,400
Queenston Mall, Hamilton (note 3)	28	162,400
Royal Orchard Shopping Centre, Thornhill	10	45,800
Southgate Village Shopping Centre, Bramalea (note 3)	13	27,400
Southridge Mall, Sudbury (note 2)	50	186,000
Thorold Stone Mall, Niagara Falls	15	57,800
Pennsylvania		
Colonial Park Plaza, Harrisburg	72	513,900
Saskatchewan		
Confederation Park Plaza, Saskatoon	38	235,600
Plaza 22, Saskatoon	8	27,200
South Hill Shopping Centre, Prince Albert	39	263,600
Town 'n' Country, Moose Jaw	65	380,000
Texas		
Big Springs Mall, Big Springs (notes 1 & 2)	36	67,800
Southgate Mall, Kingsville (notes 1 & 2)	34	60,000
	1,243	6,504,700
Purchased April, 1981		
Maryland		
Eudowood Plaza, Baltimore	41	499,900
New Mexico		
Carlsbad Mall, Carlsbad (notes 1 & 2)	26	104,000
North Dakota		
Buffalo Mall, Jamestown (note 1)	45	190,400
Oklahoma		
Mountain View Mall, Ardmore (note 4)	46	188,400
South Dakota		
Pierre Mall, Pierre (note 1)	40	155,400
University Mall, Brookings (note 4)	37	134,300
Texas		
Marshall Mall, Marshall (note 4)	40	194,300
Nolan River Mall, Cleburne (note 4)	37	184,900
Palestine Mall, Palestine (note 4)	37	207,300
Pampa Mall, Pampa (note 4)	42	222,100
University Mall, Nacogdoches (notes 1 & 2)	40	177,200
	431	2,258,200
	1,674	8,762,900

Notes:
1. Bramalea owns 50%.
2. Under construction.
3. Leased property.
4. Bramalea owns 25%.

Summary of Significant Accounting Policies

General

The Company is incorporated under The Business Corporations Act of the Province of Ontario.

The financial statements are prepared on the historic cost basis of accounting in accordance with principles generally accepted in Canada and conform in all material respects with International Accounting Standards. In addition the accounting policies and standards of financial disclosure are in accordance with the recommendations of the Canadian Institute of Public Real Estate Companies, of which the Company is a member.

The Company operates in Canada and the United States in two major business segments:

(i) the acquisition, development and operation of rental properties, including shopping centres, office buildings, hotels and residential and industrial properties; and

(ii) the acquisition, development and sale of real estate, principally land and houses.

Principles of consolidation

The consolidated financial statements include the accounts of all companies in which the Company holds a majority interest.

Companies acquired are accounted for using the purchase method and the results of their operations are included in the consolidated statement of earnings from the dates of acquisition. The excess of cost over book value of acquisitions is allocated to the assets acquired in order to reflect their fair market value at the date of acquisition.

The consolidated financial statements also include the Company's proportionate share of the individual assets, liabilities, revenues and expenses of incorporated and unincorporated joint ventures.

Foreign exchange

Asset and liability accounts which relate to operations of the Company in the United States have been translated to Canadian dollars using the year end exchange rate. Revenues and expenses have been translated at the average exchange rate for the year.

Long-term debt repayable in United States dollars and secured by Canadian properties is carried at historic exchange rates. Related interest expense has been translated at the average rate for the year.

Foreign exchange gains or losses, to the extent that they have been realized, are included in the consolidated statement of earnings.

Valuation of assets

Rental properties

Rental properties are recorded at cost less accumulated depreciation.

Depreciation on rental buildings is recorded on a sinking fund basis over a 50-year life for shopping centres and office buildings and a 40-year life for hotels, residential buildings and industrial buildings, except that buildings on leased land are depreciated over periods not exceeding the terms of the related leases. The sinking fund method provides a depreciation charge consisting of a fixed annual sum together with interest thereon compounded at 5% per annum, which is sufficient to fully depreciate the buildings over their anticipated useful lives.

Land held for and under development

Land is recorded at the lower of its cost, which includes development costs and carrying charges, and net realizable value. Costs are allocated to the saleable acreage of each project or subdivision in proportion to the anticipated revenues.

Housing projects under construction

Housing projects are recorded at the lower of cost and net realizable value.

Capitalization of costs

Carrying charges are capitalized to rental properties and housing projects during construction and to land until it is sold.

Carrying charges consist principally of an allocation of interest on specific and general debt and real estate taxes.

Certain administrative and general expenses which are incurred in connection with the acquisition or construction of properties are capitalized as a cost of the property.

Recognition of earnings

Land and houses

Revenue and earnings from the sale of land are recorded when the collection of the sale proceeds is reasonably assured and all other material conditions of the sale are met.

The sale of a single or semi-detached house is recorded when title to the completed house is conveyed to the purchaser.

The sale of a condominium unit is recorded when the purchaser pays the amount due on closing, becomes entitled to occupancy and undertakes to assume a mortgage for the balance of the purchase price.

Rental properties

Revenue from rental properties is recorded in earnings from the time 70% occupancy is achieved, subject to the expiration of a reasonable period after substantial completion. Operating results prior to this time are capitalized as a cost of the property.

Leases meet the criteria established for designation as operating leases. Accordingly, all lease revenues and expenses are recorded currently in the consolidated statement of earnings.

Leasing costs associated with the operation of rental properties are deferred and charged to earnings over the individual lease terms

Auditors' Report to the Shareholders

Peat, Marwick, Mitchell & Co.

We have examined the consolidated balance sheet of Bramalea Limited as at January 31, 1981 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at January 31, 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

Chartered Accountants

Toronto, Canada
March 13, 1981

Bramalea Limited

Consolidated Statement of Earnings

Year ended January 31, 1981

	1981	1980
		(In thousands)
Revenues		
Land and houses	$ 86,917	80,180
Rental properties	74,619	57,900
Interest	1,040	2,199
Other	7,416	6,099
	169,992	146,378
Expenses		
Land and houses	69,242	65,922
Rental properties	39,935	29,606
Interest (note 9)	33,218	27,778
Administrative and general	5,448	4,530
Other	5,582	5,407
	153,425	133,243
Earnings before income taxes	16,567	13,135
Income taxes	7,394	6,185
Earnings for the year	$ 9,173	6,950
Earnings per share (note 8)	$ 1.06	.79

Bramalea Limited

Consolidated Statement of Retained Earnings

Year ended January 31, 1981

	1981	1980
		(In thousands)
Retained earnings at beginning of year	$ 21,667	23,344
Earnings for the year	9,173	6,950
Cancellation of common shares (note 8)	(1,594)	(8,627)
Dividends on common shares	(1,726)	—
Retained earnings at end of year	$ 27,520	21,667

See summary of significant accounting policies and accompanying notes to consolidated financial statements

Bramalea Limited

Consolidated Balance Sheet

January 31, 1981

	Notes	1981	1980
			(In thousands)
Assets			
Rental properties	1	$ 440,375	312,313
Land held for and under development	2	155,879	134,287
Housing projects under construction	3	17,455	19,937
Amounts receivable	4	42,736	35,007
Other	5	23,063	6,928
		$ 679,508	508,472
Liabilities			
Long-term debt	6	$ 486,548	355,063
Bank indebtedness	7	55,123	35,395
Mortgages on housing projects under construction	3	7,573	9,998
Accounts payable and accrued liabilities		40,342	33,520
Deferred income taxes		45,786	38,188
		635,372	472,164
Shareholders' Equity			
Capital stock	8	16,616	16,676
Retained earnings		27,520	21,667
		44,136	38,343
Capital stock held for cancellation		—	(2,035)
		44,136	36,308
		$ 679,508	508,472

On behalf of the Board

J. Richard Shiff

Director

Director

See summary of significant accounting policies and accompanying notes to consolidated financial statements

Bramalea Limited

Consolidated Statement of Changes in Financial Position

Year ended January 31, 1981

	1981	1980
		(In thousands)
Source of cash		
Cash provided from operations		
Earnings for the year	$ 9,173	6,950
Items not requiring outlay of cash		
Deferred income taxes	7,598	5,096
Depreciation	5,877	5,462
Cash provided from operations	22,648	17,508
Additional long-term debt	131,485	68,165
Additional bank indebtedness	19,728	28,486
Issue of common shares	412	3,340
Reduction in housing projects under construction	2,482	2,691
	$ 176,755	120,190
Use of cash		
Purchase and construction of rental properties	$ 137,554	71,399
Purchase and development of land held for and under development	21,592	34,627
Reduction of mortgages on housing projects under construction	2,425	6,490
Purchase of common shares for cancellation	—	12,702
Declaration and payment of dividends	1,726	—
Other	13,458	(5,028)
	$ 176,755	120,190
Cash provided from operations per share (note 8)	$ 2.63	1.98

See summary of significant accounting policies and accompanying notes to consolidated financial statements

1. Rental properties

	1981			1980
	Cost	Accumulated depreciation	Net	Net
				(In thousands)
Shopping centres	$ 157,207	5,853	151,354	105,618
Office buildings	94,930	2,259	92,671	93,633
Hotels	43,734	6,928	36,806	36,082
Residential properties	50,974	5,323	45,651	31,591
Industrial buildings	43,348	1,310	42,038	26,978
	390,193	21,673	368,520	293,902
Under construction	71,855	—	71,855	18,411
	$ 462,048	21,673	440,375	312,313

Costs to complete rental properties under construction are estimated at $85,000,000. Interim financing has been arranged for the completion of these projects.

The Company is committed to minimum and participating rental payments in respect of long-term leases of land and rental properties which expire in the years 1997 to 2068. Minimum rentals approximate $1,200,000 for each of the next five years and aggregate $32,200,000 to completion of the leases. The net book value of rental properties situated on leased land is $58,300,000 (1980 — $59,200,000). The terms of the leases approximate the economic life of the buildings.

2. Land held for and under development

	1981			1980
	Held for development	Under development	Total	Total
				(In thousands)
Land	$ 58,783	28,159	86,942	81,041
Carrying charges	26,868	16,997	43,865	33,313
Development costs	—	25,072	25,072	19,933
	$ 85,651	70,228	155,879	134,287
Transactions during the year consisted of:				
Balance at beginning of year	$ 74,238	60,049	134,287	99,661
Acquisitions	13,755	944	14,699	36,514
Development costs	—	17,703	17,703	12,744
Carrying charges (note 10)	7,888	7,124	15,012	13,265
Tranfers between land accounts	(6,101)	6,101	—	—
Transfers to rental properties and housing projects under construction	(4,129)	(1,398)	(5,527)	(6,320)
Cost of land sold	—	(20,295)	(20,295)	(21,577)
Balance at end of year	$ 85,651	70,228	155,879	134,287

During the year $1,349,000 was recorded in land under development to give recognition to a recovery in the value of land which was written down to its estimated net realizable value in prior years.

3. Housing projects under construction

	1981			1980
	Construction costs	Land costs	Total	Total
				(In thousands)
Under contract of sale	$ 8,278	5,578	13,856	9,179
Not under contract of sale	2,203	1,396	3,599	10,758
	$ 10,481	6,974	17,455	19,937

At January 31, 1981 mortgages and interim financing totalling $7,573,000 and bearing an average interest rate of 17% were outstanding on housing projects under construction. As housing units are sold, the mortgage obligations are assumed by the purchasers and the interim financing is repaid by the Company.

4. Amounts receivable

	1981	1980
		(In thousands)
Mortgages and notes	$ 20,754	15,647
Rents and other tenant charges	9,693	5,898
Sale of land and houses	2,707	5,796
Due from officers	4,621	4,763
Advances on behalf of joint venture participants	3,438	1,597
Other	1,523	1,306
	$ 42,736	35,007

The average interest rate is 13% on mortgages and notes receivable and 19% on advances on behalf of joint venture participants.

Amounts due from officers consist of secured advances under employee stock purchase plans and house mortgage loans.

The due dates of the amounts receivable are as follows:

Year ending	(In thousands)
January 31, 1982	$ 20,252
1983	6,795
1984	2,653
1985	572
1986	1,067
Subsequent to 1986	11,397
	$ 42,736

5. Other assets

	1981	1980
		(In thousands)
Cash and short-term investments	$ 13,304	1,722
Prepaid expenses and deposits	7,576	3,016
Vehicles and equipment net of accumulated depreciation	2,183	2,190
	$ 23,063	6,928

6. Long-term debt

	Maturity dates	Average interest rates	1981	1980
				(In thousands)
Mortgages on rental properties	1982-2066	11%	$ 283,530	244,418
Mortgages on land held for and under development	1982-1985	12%	60,521	50,420
Term bank loan	1985-1989	18%	55,000	40,000
Debentures	1984-1989	11%	9,796	9,796
Other mortgages	1982-1993	12%	4,655	1,027
			413,502	345,661
Interim financing on rental properties under construction (note 1)			73,046	9,402
			$ 486,548	355,063

The term bank loan is secured by mortgages on certain rental properties and land held for and under development.

The debentures bear interest at 11% per annum (subject to change by the Company with effect from October 1, 1983), are retractable on October 1, 1983 at the holder's option and mature on October 1, 1988. The debentures are secured by a Trust Indenture containing a floating charge on the assets of the Company, subject to the prior charge described in note 7.

United States dollar obligations of $112,600,000 are included above in the amount of $126,000,000 Cdn. and represent obligations of $135,600,000 Cdn. at exchange rates in effect at January 31, 1981.

Principal repayments of long-term debt, excluding interim financing on rental properties under construction, are due as follows:

Year ending	(In thousands)
January 31, 1982	$ 38,003
1983	67,928
1984	14,372
1985	13,032
1986	19,877
Subsequent to 1986	260,290
	$ 413,502

The Company plans to obtain permanent financing to replace the interim financing on certain rental properties under construction and intends to refinance certain of its long-term debt as current amounts mature.

7. Bank indebtedness

Bank indebtedness consists of demand operating loans which are secured by a general assignment of the Company's receivables and a floating charge debenture on the assets of the Company. The floating charge debenture ranks in priority to the debentures described in Note. 6.

8. Capital stock

Common shares

During 1980 the shareholders approved an increase in the authorized share capital and the division of the issued shares on a two-for-one basis. All common share amounts referred to below have been adjusted to give effect to the two-for-one division of shares.

Common share transactions are summarized as follows:

	Common Shares of No Par Value		
	Authorized Shares	Issued and Fully-paid Shares	Stated Value (In thousands)
Balance at beginning of year	18,317,742	8,856,394	$ 16,676
Cancellation of 250,504 shares	(250,504)	(250,504)	(472)
Increase in authorized share capital	11,932,762	—	—
Issue of 5,850 shares under employee stock option plan	—	5,850	14
Issue of 35,000 shares under employee stock purchase plans	—	35,000	398
Balance at end of year	30,000,000	8,646,740	$ 16,616

The excess cost of the shares cancelled over their average issue price is recorded as a reduction in retained earnings.

At January 31, 1981, 11,100 shares were reserved for the exercise of employee stock options. The stock options are exercisable at a price of $2.36 per share (being the price established at the time of the issue of such options in 1975) and expire by 1985.

The shares issued under the employee stock purchase plans are held by a trustee pursuant to the terms of such plans pending repayment to the Company of interest-free loans made for purposes of acquiring these shares.

Earnings and cash provided from operations per share are based on the weighted monthly average number of shares outstanding during each year, adjusted for the two-for-one division of shares (1981 — 8,621,708; 1980 — 8,824,368).

Preference Shares

In May 1980 the shareholders approved the creation of 20,000,000 First Preference Shares without par value (of which 5,000,000 were designated as 6% cumulative, non-voting, redeemable, Series A shares). The shareholders also approved a resolution allowing common shareholders resident in Canada to receive all or any part of future dividends in cash or as stock dividends in the form of First Preference Shares, Series A. The value of each First Preference Share, Series A was fixed at $1.00, being the amount at which the shares are redeemable at the option of either the holder or the Company. During the year 329,240 First Preference Shares, Series A were issued and redeemed for cash. Accordingly at January 31, 1981 the authorized preference share capital consisted of 19,670,760 First Preference Shares without par value, of which 4,670,760 are designated as 6% cumulative, non-voting, redeemable, Series A shares.

9. Interest

	1981	1980
		(In thousands)
Interest charges were incurred on:		
Long-term debt	$ 45,656	39,091
Bank indebtedness	4,710	2,502
Mortgages on housing projects under construction	1,155	2,152
	51,521	43,745
Amounts capitalized to:		
Rental properties under construction	2,642	1,325
Land held for and under development	14,255	12,362
Housing projects under construction	1,406	2,280
	18,303	15,967
Interest expense	$ 33,218	27,778

10. Capitalization of costs

	1981	1980
		(In thousands)
During the year the following costs were capitalized:		
Interest (note 9)	$ 18,303	15,967
Administrative and general	3,033	2,328
Real estate taxes and other costs	666	989
	$ 22,002	19,284
These amounts were capitalized as follows:		
Rental properties under construction	$ 3,520	2,442
Land held for and under development	15,012	13,265
Housing projects under construction	3,470	3,577
	$ 22,002	19,284

11. Business segment information

	Rental operations		Real estate sales		Total	
	1981	1980	1981	1980	1981	1980
						(In thousands)
Revenue						
Canada	$ 68,099	57,900	86,917	80,180	155,016	138,080
United States	6,520	—	—	—	6,520	—
	$ 74,619	57,900	86,917	80,180	161,536	138,080
Earnings from operations						
Canada	$ 31,190	28,294	17,675	14,258	48,865	42,552
United States	3,494	—	—	—	3,494	—
	$ 34,684	28,294	17,675	14,258	52,359	42,552
Interest and other revenue					8,456	8,298
Interest expense					(33,218)	(27,778)
Administrative and general expenses					(5,448)	(4,530)
Other expenses					(5,582)	(5,407)
Income taxes					(7,394)	(6,185)
Earnings for the year					$ 9,173	6,950
Identifiable assets						
Canada	$ 376,434	269,509	136,381	135,376	512,815	404,885
United States	63,941	42,804	36,953	18,848	100,894	61,652
	$ 440,375	312,313	173,334	154,224	613,709	466,537
Other assets					65,799	41,935
					$ 679,508	508,472

Depreciation expense of $5,233,000 (1980 — $4,946,000) is included in the operating earnings for rental operations and $644,000 (1980 — $516,000) is included in other expenses.

12. Joint ventures

The consolidated financial statements include the Company's proportionate share of the revenues, expenses, assets and liabilities of incorporated and unincorporated joint ventures as follows:

	1981	1980
		(In thousands)
Statement of Earnings		
Revenues		
Land and houses	$ 9,782	6,684
Rental properties	9,823	8,251
Interest	120	184
Other	4,603	4,517
	24,328	19,636
Expenses		
Land and houses	8,711	5,210
Rental properties	9,620	8,059
Administrative and general	120	126
Other	4,544	4,420
	22,995	17,815
Earnings before income taxes	$ 1,333	1,821
Balance Sheet		
Assets		
Rental properties	$ 34,724	6,508
Land held for and under development	34,860	49,792
Housing projects under construction	5,292	1,413
Amounts receivable	8,307	3,732
Other	3,854	2,543
	$ 87,037	63,988
Liabilities		
Long-term debt	$ 47,169	29,554
Bank indebtedness	813	311
Mortgages on housing projects under construction	4,432	—
Accounts payable and accrued liabilities	7,126	3,718
Deferred income taxes	645	423
Equity and advances	26,852	29,982
	$ 87,037	63,988

13. Contingent liabilities

The Company is contingently liable under guarantees which are issued in the normal course of business and with respect to pending litigation and claims which arise from time to time. In the opinion of management any liability that may arise from such contingencies would not have a material adverse effect on the consolidated financial statements of the Company.

14. Remuneration of Directors and Officers

The aggregate direct remuneration paid by the Company to its directors and senior officers as defined in The Business Corporations Act for the year ended January 31, 1981 was $1,360,000.

15. Comparative figures

Certain 1980 comparative figures have been reclassified to conform with the 1981 presentation.

Bramalea Limited
Historical Financial Review

	1981	1980	1979	1978	1977
					(In thousands)
Consolidated Statement of Earnings					
Revenue					
Land and houses	$ 86,917	80,180	62,486	56,979	64,122
Rental properties	74,619	57,900	44,552	42,328	36,851
Other	8,456	8,298	5,384	2,619	3,049
	169,992	146,378	112,422	101,926	104,022
Expenses					
Land and houses	69,242	65,922	41,838	41,073	47,572
Rental properties	39,935	29,606	23,965	25,405	23,360
Interest	33,218	27,778	21,489	17,161	15,256
Administrative and general	5,448	4,530	4,259	4,327	3,993
Other	5,582	5,407	2,790	804	731
	153,425	133,243	94,341	88,770	90,912
Earnings before income taxes and extraordinary item	16,567	13,135	18,081	13,156	13,110
Income taxes	7,394	6,185	8,976	6,610	6,760
Earnings before extraordinary item	9,173	6,950	9,105	6,546	6,350
Extraordinary item	—	—	2,450	—	—
Earnings for the year	$ 9,173	6,950	6,655	6,546	6,350
Earnings per share					
Before extraordinary item	$ 1.06	.79	.95	.62	.58
Extraordinary item	—	—	(.25)	—	—
For the year	$ 1.06	.79	.70	.62	.58
Cash provided from operations	$ 22,648	17,508	20,646	16,562	16,006
Per share	$ 2.63	1.98	2.16	1.56	1.45
Consolidated Balance Sheet					
Assets					
Rental properties	$ 440,375	312,313	245,569	200,192	197,414
Land held for and under development	155,879	134,287	99,661	83,280	80,299
Housing projects under construction	17,455	19,937	22,628	27,385	25,157
Other	65,799	41,935	38,371	37,079	41,419
	$ 679,508	508,472	406,229	347,936	344,289
Liabilities					
Long-term debt	$ 486,548	355,063	286,898	232,680	236,168
Bank indebtedness	55,123	35,395	6,909	11,145	8,132
Mortgages on housing projects under construction	7,573	9,998	16,488	21,259	22,792
Accounts payable and accrued liabilities	40,342	33,520	24,122	21,299	24,775
Deferred income taxes	45,786	38,188	33,092	26,812	21,023
	635,372	472,164	367,509	313,195	312,890
Shareholders' Equity	44,136	36,308	38,720	34,741	31,399
	$ 679,508	508,472	406,229	347,936	344,289

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